



NEWS RELEASE

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In Wake of Hurricanes, MMS Temporarily Waives Fees for Certain Offshore Energy Activities

WASHINGTON- The Minerals Management Service has issued a final rule in the Federal Register which waives the payment of certain existing cost recovery fees until January 3, 2006.

Damage from Hurricanes Katrina and Rita temporarily closed down MMS's offices near New Orleans and has disrupted normal operations. As a result, MMS is currently unable to process payments that offset the bureau's operating costs for specific administrative services provided to OCS oil and gas lessees.

MMS charges cost recovery fees to lessees of Federal offshore oil and gas leases for pipeline right-of-way (ROW) grant applications, conversion of lease term pipelines to ROW pipelines, pipeline ROW assignments, recorded title/operating rights transfers, and filing of non-required documents. The fee structure for these services is as follows:

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| • Pipeline ROW grant application | \$2,350 |
| • Conversion of lease term pipeline to ROW pipeline | \$200 |
| • Pipeline ROW assignment | \$170 |
| • Record title/operating rights transfer | \$170 |
| • Non-required document filing | \$25 |

MMS may consider further extending the waiver of the cost recovery fees if its offices in the New Orleans area are not fully operational by January 3, 2006.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments. The OCS provides 30 percent of oil and 21 percent of natural gas produced domestically, as well as sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, and contributes to the Land and Water Conservation Fund and other special use funds, with Fiscal Year 2004 disbursements of about \$8 billion and more than \$143 billion since 1982.

MMS Main Website: www.mms.gov
MMS: Securing Ocean Energy and Economic Value for America